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Iranian Offered Release Of American Hostage For 500 TOW Missiles

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Early last October, an Iranian government emissary told U.S. representatives he would arrange for the release of an American hostage held in Lebanon if the United States would sell Iran 500 TOW antitank missiles, according to informed sources.

The Iranian, who had direct access to officials of Ayatollah Ruhollah Khomeini's government, said Tehran would pay in advance for the weapons and that he also would work on getting a second hostage out.

At the time, President Reagan's secret Iran initiative had been under way for 14 months. In return for six clandestine shipments of arms, the administration had won the release of three hostages held by the pro-Iranian Islamic Jihad.

But three other long-held hostages remained under the control of Islamic Jihad extremists, and beginning in September, another group associated with Iranian political factions seized two more Americans.

The deal for the release of another hostage was made final in late October at a meeting in Mainz, West Germany, when the Iranian emissary appeared with a check for \$4 million, the sources said.

The American representatives at that session included National Security Council aide Lt. Col. Oliver L. North; George Cave, a retired CIA agent and former Tehran station chief who had been brought back to work on the hostage affair by Director William J. Casey; and retired Air Force major general Richard V. Secord.

Secord, according to sources, had developed the Iranian as a contact in mid-August after the previous middleman, arms dealer Manucher Ghorbanifar, had been dropped.

The Mainz meeting set in motion a chain of events that included:

■ The deposit in a Central Intelligence Agency bank account in Switzerland of \$2,037,000 to cover the cost to the Pentagon of replacing

the 500 TOW missiles that were sent from Israel to Iran on Oct. 31.

■ The unpublicized release on Nov. 1 of hostage David P. Jacobsen, who was kept at the U.S. Embassy in Beirut for his "personal safety," as last-minute efforts were made to encourage the Iranians to arrange for the release of another hostage.

■ Another meeting in Geneva on Nov. 8, after the Washington-Iran arms deals had become public, where further hostage releases were discussed but set aside for the time being because of the publicity.

The off-and-on negotiations between Washington and Tehran, which began in the fall of 1985, broke down in August when a U.S. shipment of TOW missiles failed to bring about the release of another American hostage.

The breakdown prompted U.S. officials to drop Ghorbanifar, the Iranian expatriate arms dealer, as the middleman in the operation.

The first contact with the new Iranian representative was made in mid-August by Secord, who once headed the Pentagon's military assistance program and served as chief of the U.S. military mission in Tehran during the rule of the shah, according to sources.

The president of a private company that sold, serviced and delivered military equipment, Secord had been brought into the arms-for-hostages operation by North. "He took care of the business arrangements," one source said yesterday in describing Secord's role in the operation.

In September, the new Iranian contact came to Washington for a series of meetings that led to his October offer of 500 TOWs for one hostage.

When Reagan first decided to sell arms to Iran last January, the deal worked out called for the release of all Americans held by the pro-Iranian extremists in Lebanon in return for 2,008 TOW missiles and a specified list of about 200 Hawk anti-aircraft missile spare parts.

The United States shipped a total

of 1,508 TOWs in February, July and August, while the Hawk parts went in May. But only two hostages were released.

At the Mainz meeting, the Americans said they wanted assurances that all three remaining hostages held by Islamic Jihad would be freed, but their Iranian contact promised only to see what he could do.

Secord and retired Air Force colonel Robert Dutton, who worked for his company, organized the shipment of TOWs from Israeli stocks, a departure from the direct shipments. The TOWs were shipped from Tel Aviv on Oct. 31, sources said.

The day before, North had visited Beirut with Secord and made a series of telephone calls. British Anglican Church envoy Terry Waite arrived in Beirut about the same time, while Iranian Foreign Minister Ali Akbar Velayati arrived in Damascus. Their appearances led to press speculation that a hostage release was imminent.

On the morning of Nov. 1, a Saturday, U.S. Ambassador to Lebanon John H. Kelly was called and told to go to the American West Annex, where he found Jacobsen. When North, who was on Cyprus, learned that only one hostage was freed, he told a colleague there was "a mistake," according to sources. North flew to West Germany while Cave reportedly tried to find the Iranian contact.

Meanwhile, Dutton and Secord went to Beirut and debriefed Jacobsen at the U.S. Embassy, sources said.

In the United States, the White House withheld public announcement of Jacobsen's release. This was done for his "personal safety," a senior administration official said yesterday, and "not to await the release of any others."

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In September 1985, after the first U.S.-approved Israeli shipment of TOW missiles to Iran, the White House held up announcing the release of the Rev. Benjamin Weir for four days, waiting for the promised additional hostages to be freed.

On Nov. 2, however, Reagan announced Jacobsen's release and chalked it up to U.S. efforts undertaken "through a number of sensitive channels for a very long time."

White House chief of staff Donald T. Regan said on an ABC News program that he could not talk about how Jacobsen's release had come about "because we are still negotiating for the other hostages."

On Nov. 3, the first stories describing the U.S. overture to Iran were published. The White House refused comment, saying it did not want to endanger the lives of those still held in Lebanon.

U.S. and Iranian negotiators then met in Geneva Nov. 8-10, sources said, but decided not to take additional steps because of the publicity about the arms-for-hostages program.

About that same time, the United States sent 500 TOW missiles to Israel to replace those that the Israelis had just shipped to Iran. Sources said the older Israeli weapons were sent because there was not enough time to ship the newer weapons from the United States, as had been done with the shipments that had taken place earlier in the year.